

DEBT FUNDING

*Agreement signed at Washington June 10, 1932, modifying agreement
of August 18, 1925
Operative from July 1, 1931*

Treasury Department print

AGREEMENT, MADE THE 10TH DAY OF JUNE, 1932, AT THE CITY OF WASHINGTON, DISTRICT OF COLUMBIA, BETWEEN THE GOVERNMENT OF THE KINGDOM OF BELGIUM, HEREINAFTER CALLED BELGIUM, PARTY OF THE FIRST PART, AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA, HEREINAFTER CALLED THE UNITED STATES, PARTY OF THE SECOND PART

WHEREAS, under the terms of the debt funding agreement between Belgium and the United States, dated August 18, 1925,¹ there is payable by Belgium to the United States during the fiscal year beginning July 1, 1931 and ending June 30, 1932, in respect of the bonded indebtedness of Belgium to the United States, the aggregate amount of \$7,950,000, including principal and interest; and

WHEREAS, a Joint Resolution of the Congress of the United States, approved December 23, 1931,² authorizes the Secretary of the Treasury, with the approval of the President, to make on behalf of the United States an agreement with Belgium on the terms hereinafter set forth, to postpone the payment of the amount payable by Belgium to the United States during such year in respect of its bonded indebtedness to the United States; and

WHEREAS, Belgium hereby gives assurance, to the satisfaction of the President of the United States, of the willingness and readiness of Belgium to make with the Government of each country indebted to Belgium in respect of war, relief, or reparation debts, an agreement in respect of the payment of the amount or amounts payable to Belgium with respect to such debt or debts during such fiscal year, substantially similar to this Agreement authorized by the Joint Resolution above mentioned;

Now, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

¹ *Ante*, p. 531.

² 47 Stat. 3.

1. Payment of the amount of \$7,950,000, payable by Belgium to the United States during the fiscal year beginning July 1, 1931 and ending June 30, 1932, in respect of the bonded indebtedness of Belgium to the United States, according to the terms of the agreement of August 18, 1925, above mentioned, is hereby postponed so that such amount, together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by Belgium to the United States in ten equal annuities of \$968,907.76 each, payable in equal semiannual installments on December 15 and June 15 of each fiscal year beginning with the fiscal year July 1, 1933 and ending June 30, 1934, and concluding with the fiscal year beginning July 1, 1942 and ending June 30, 1943. The two bonds numbered 007, dated June 15, 1925, maturing June 15, 1932, one in the principal amount of \$2,900,000 for account of the Pre-Armistice debt and the other in the principal amount of \$1,300,000 for account of the Post-Armistice debt, delivered by Belgium to the United States under the agreement of August 18, 1925, shall be retained by the United States until the annuities due under this Agreement shall have been paid.

2. Except so far as otherwise expressly provided in this Agreement, payments of annuities under this Agreement shall be subject to the same terms and conditions as payments under the agreement of August 18, 1925, above mentioned. The proviso in paragraph 2 of such agreement, authorizing the postponement of payments on account of principal after June 15, 1935, and the option of Belgium provided for in paragraph 5, to pay in obligations of the United States, shall not apply to annuities payable under this Agreement.

3. The agreement of August 18, 1925, between Belgium and the United States, above mentioned, shall remain in all respects in full force and effect except so far as expressly modified by this Agreement.

4. Belgium and the United States, each for itself, represents and agrees that the execution and delivery of this Agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this Agreement have been completed as required by the laws of Belgium and the United States, respectively, and in conformity therewith.

5. This Agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

IN WITNESS WHEREOF, Belgium has caused this Agreement to be executed on its behalf by its Ambassador Extraordinary and Plenipotentiary at Washington, thereunto duly authorized, and the United States has likewise caused this Agreement to be executed on its behalf by the Secretary of the Treasury,

with the approval of the President, pursuant to a Joint Resolution of Congress approved December 23, 1931, all on the day and year first above written.

The Kingdom of Belgium

By

PAUL MAY,

Ambassador Extraordinary and Plenipotentiary

The United States of America

By

OGDEN L. MILLS,

Secretary of the Treasury

Approved:

HERBERT HOOVER,

President